



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



Internal Audit Section

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Comptroller

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November 6, 2006

Antoinette Triplett, Program Manager II
Department of Human Services
634 N. Grand Boulevard, Room 836
St. Louis, MO 63103-1002

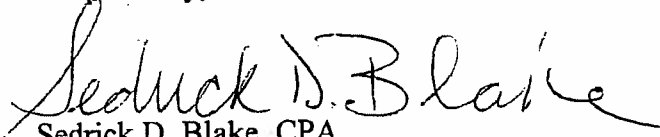
RE: Fiscal Monitoring Review of Catholic Family Services (Places for Fathers) – HUD
Supportive Housing Program (Project #2006-HOM8)

Dear Ms. Triplett:

For the period reviewed, Catholic Family Services (Places for Fathers) did not meet the program expenditures matching requirements of \$3,032.19. Therefore, in Observation #1 of the sub-recipient's enclosed fiscal monitoring report, we are recommending that Department of Human Services subtract \$3,032.19 from its next reimbursement request.

If you have any questions, please call Charles Schroeder at (314) 589-6089.

Respectfully,


Sedrick D. Blake, CPA
Internal Audit Executive

Enclosure

cc: Honorable Darlene Green, Comptroller
Patrick Brennan, Fiscal Manager, Department of Human Services
Michael McAtee, Accounting Manager II, Federal Grants Section
Judith Holstein, Accounting Supervisor, Federal Grants Section
Thomas J. Bozzo, Deputy Comptroller



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November 6, 2006

Dr. Jerry Marks, Executive Director
Catholic Family Services (Places for Fathers)
9200 Watson Road.
St. Louis, MO 63126

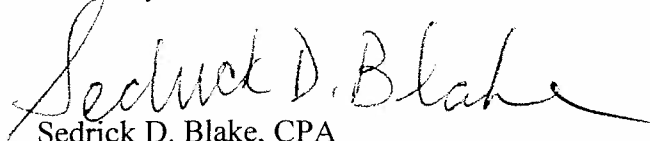
RE: Fiscal Monitoring Report of Catholic Family Services (Places for Fathers) HUD
Supportive Housing Program (#2006-HOM08)

Dear Dr. Marks:

Enclosed is a report of our fiscal monitoring review of the Catholic Family Services (Places for Fathers) (Document #50363) for the periods February 1, 2005 through January 31, 2006. The scope of a fiscal monitoring review is substantially less than an audit, and as such, we do not express an opinion on the financial operations of Catholic Family Services (Places for Fathers). Our fieldwork was completed on July 6, 2006. Management's response was due on September 4, 2006; however, we have not received a response as of the date of this report.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised and through an agreement with the Department of Human Services (DHS) to provide fiscal monitoring to all grant subrecipients. If you have any questions, please contact Charles Schroeder at (314) 613-7257.

Sincerely,


Sedrick D. Blake, CPA
Internal Audit Executive

Enclosure

cc: Patrick Brennan, Fiscal Manager, Department of Human Services



CITY OF ST. LOUIS

***DEPARTMENT OF HUMAN SERVICES (DHS)
HOMELESS SERVICES PROGRAM***

***CATHOLIC FAMILY SERVICES
PLACES FOR FATHERS
SUPPORTIVE HOUSING PROGRAM (SHP)
DOCUMENT #50363***

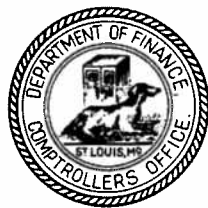
FISCAL MONITORING REVIEW

FEBRUARY 1, 2005 THROUGH JANUARY 31, 2006

PROJECT #2006-HOM8

DATE ISSUED: NOVEMBER 6, 2006

***Prepared by:
The Internal Audit Section***



OFFICE OF THE COMPTROLLER

Honorable Darlene Green, Comptroller

**CITY OF ST. LOUIS
DEPARTMENT OF HUMAN SERVICES (DHS)
HOMELESS SERVICES
CATHOLIC FAMILY SERVICES (PLACE FOR FATHERS)
DOCUMENT #50363
FISCAL MONITORING REVIEW
FEBRUARY 1, 2005 THROUGH JANUARY 1, 2006**

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**CITY OF ST. LOUIS
DEPARTMENT OF HUMAN SERVICES (DHS)
HOMELESS SERVICES
CATHOLIC FAMILY SERVICES (PLACE FOR FATHERS)
DOCUMENT #50363
FISCAL MONITORING REVIEW
FEBRUARY 1, 2005 THROUGH JANUARY 1, 2006**

INTRODUCTION

Background

Contract Name: Catholic Family Services (Places for Fathers)

Document Number: 50363

Contract Period: February 1, 2005 through January 1, 2006

Contract Amount: \$173,371.00

This contract provided funds from the Department of Housing and Urban Development (HUD), to Catholic Family Services (Places for fathers) to provide permanent supportive housing to individuals who are disabled due to chronic substance abuse and/or mental illness or learning deficiency. Contractor shall house up to eleven individuals at 100% occupancy for 95% of the time as long as there are clients requesting housing. Contractor shall devise plans to provide Crisis Intervention, Eviction Prevention, Relocation Assistance, Follow-up Care and Assessment. Such plans shall include use of mainstream resource and other agencies in the Homeless Services Network as applicable.

Purpose

The purpose of this fiscal monitoring review was to determine Catholic Family Services' (Places for Fathers) (Document #50363) compliance with federal, state and local Department of Human Services (DHS) requirements for the period February 1, 2005 through January 31, 2006 and make recommendations for improvements.

Scope and Methodology

We made inquiries regarding Catholic Family Services (Places for Fathers) internal controls relating to the grants administered by the Department of Human Services (DHS), tested evidence supporting the reports the Agency submitted to DHS and performed other procedures considered necessary. Our fieldwork was completed on July 6, 2006. Management response was due September 5, 2006. We have not received their response as of the date of this report.

**CITY OF ST. LOUIS
DEPARTMENT OF HUMAN SERVICES (DHS)
HOMELESS SERVICES
CATHOLIC FAMILY SERVICES (PLACE FOR FATHERS)
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FEBRUARY 1, 2005 THROUGH JANUARY 1, 2006**

CONCLUSION AND SUMMARY OF OBSERVATIONS

Conclusion

Catholic Family Services (Places for fathers) did not fully comply with federal, state and local DHS requirements.

Status of Prior Observations

This was the first fiscal monitoring review for Catholic Family Services (Places for Fathers) for this program. Therefore, the Agency does not have any prior observations.

A-133 Status

The Agency's A-133 audit report for the year ended June 30, 2005 dated October 20, 2005 did not disclose any finding required to be reported in accordance with OMB Circular A-133. The A-133 Audit had no reportable conditions or instances of noncompliance for the year ended June 30, 2005. Also, the Agency qualified as a low-risk auditee. Internal Audit reviewed this report on December 22, 2005 and recommended DHS accept the audit.

Summary of Current Observations

We made recommendations for the following observations, which if implemented could assist Catholic Family Services (Places for Fathers) in fully complying with federal, state, and local DHS requirements.

However, after providing management with a draft copy of this report on August 28, 2006 and requesting their response to our observations by September 7, 2006, as of the date of this report, IAS has not received a response from management.

1. Opportunity to Comply with Payroll and Non-Payroll Expenditures Matching Requirements
2. Opportunity for Two Authorized Signers for Checks
2. Opportunity to Submit Reimbursements Reports in Timely Manner

**CITY OF ST. LOUIS
DEPARTMENT OF HUMAN SERVICES (DHS)
HOMELESS SERVICES
CATHOLIC FAMILY SERVICES (PLACE FOR FATHERS)
DOCUMENT #50363
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**DETAILED OBSERVATIONS, RECOMMENDATIONS AND
MANAGEMENT'S RESPONSES**

1. Opportunity to Comply with Payroll and Non-Payroll Expenditures Matching Requirements

The SHP contract (Document #50363) states that by law the program can pay no more than 80% of the total Supportive Services budget, no more than 75% of total Operating budget, and no more than 5% of total in administrative functions. The remaining balance must be paid by the Agency from other funding sources.

The program budget required the program expenditures prorated as follows:

- **Supportive Services** at 76.6% with matching funds at 23.4%.
- **Operations** 67.5% with matching funds at 32.5%.

These percentages were used to determine the amount of each program invoice to be shared between SHP and matching funds. We tested the May 2005 request for reimbursement. The Agency did not provide adequate documentation to show that it met the required match of \$3,032.19.

Supportive Services

Non-Payroll Expenditures

The Agency requested reimbursement of \$8,820 for security deposit and two months rent. It did not provide the required match of \$2,063.88.

Payroll Expenditures

The Agency requested reimbursement for \$2,377.71 in payroll expenses. It did not provide the required match of \$680.71.

Operations

Non-Payroll Expenditures

The Agency requested reimbursement for utility and occupancy expenses for \$201.97. It did not provide the required match of \$65.64.

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**DETAILED OBSERVATIONS, RECOMMENDATIONS AND
MANAGEMENT'S RESPONSES**

1. Continued...

Payroll Expenditures

The Agency requested reimbursement for \$772.76 in payroll expenses. It did not provide the required match of \$221.96.

The total questioned cost for the month of May 2005 was \$3,032.19.

Because the Agency did not use the correct procedures to calculate their monthly financial reimbursement they are not in compliance with their contractual agreement with DHS and will quickly deplete SHP funds.

Recommendation

We recommend DHS subtract the total questioned cost of \$3,032.19, from the agency's next request for reimbursement for not meeting the program expenditures matching requirements.

Management's Response

Management response was due September 5, 2006. We have not received their response as of the date of this report.

2. Opportunity for Two Authorized Signers for Checks

In accordance with DHS, Homeless Services Division, Support Documentation policy under Method of Disbursement, it states, "Except for petty cash expenditures, disbursements shall be made by pre-numbered checks that are signed by the Chief Executive Officer and the Financial Officer or any two (2) duly authorized officers."

In our review we noticed the Agency does not require two authorized signatures on checks. This is a case of noncompliance with DHS regulations concerning disbursement checks.

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**DETAILED OBSERVATIONS, RECOMMENDATIONS AND
MANAGEMENT'S RESPONSES**

2. Continued...

Recommendation

We recommend the Agency follow DHS policy guidelines and require two authorized signatures on checks.

Management's Response

Management response was due September 5, 2006. We have not received their response as of the date of this report.

3. Opportunity to Submit Reimbursements Reports in Timely Manner

Document #50363 states "Contractor shall submit to DHS Monthly Financial and Monthly Activity Reports for each month of the contract on or before the fifteenth (15th) day of the following month (unless otherwise specified)."

The Agency did not comply with the Document #50363 because its monthly reports were submitted late by an average of 93 days.

Recommendation

We recommend the Agency comply with its contracted agreement by submitting reimbursement reports before or on the due date.

Management's Response

Management response was due September 5, 2006. We have not received their response as of the date of this report.